



# STATE OF UTAH CONTRACT

1. CONTRACTING PARTIES. This Contract is between the Utah State Tax Commission ("Commission"), Agency Code 120, and the following contractor:

Meyercord Revenue Division of Illinois Tool Works Inc.  
PO Box 95598  
Chicago IL 60694-5598

016606  
CONTRACT NUMBER

Tom Letizia  
Contact Person

(630) 682-6291  
Phone Number

361258310  
Federal ID#

93752A  
Vendor Number

25520000000  
Commodity Code(s)

LEGAL STATUS PF CONTRACTOR: For-Profit Corporation

2. GENERAL PURPOSE OF CONTRACT:  
To provide cigarette tax stamps @ \$0.505/M with "variable image" security feature.
3. PROCUREMENT: This contract is entered into as a result of the Procurement process on bid #NO1107  
Requisition # 120 1PR00000018 FY 2001, or the attached pre-approved sole source.
4. CONTRACT PERIOD: Effective date: 05/15/01. Termination date: 04/14/04 unless terminated early or extended in accordance with the terms of this contract. Renewal Options (if any): Two(1) year renewal.
5. CONTRACT COSTS: CONTRACTOR may be paid a maximum of: \$9,999,999.99 for costs authorized by this contract.
6. ATTACHMENT A: State of Utah, Standard Terms and Conditions.  
ATTACHMENT B: Utah State Tax Commission Standard Terms and Conditions.  
ATTACHMENT C: Specification  
ATTACHMENT D: Contractor-submitted proposal.

**Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.**

7. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:
- A. All other government laws, regulations or actions applicable to the goods and/or services authorized by this Contract.
  - B. Utah State Procurement Code and Procurement Rules.
  - C. Contractor's Response to Bid #NO1107 (confidential security features).

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

## CONTRACTOR

## STATE OF UTAH

\_\_\_\_\_  
Contractor's Signature Date

\_\_\_\_\_  
Division Director Date

\_\_\_\_\_  
Contractor's Name

\_\_\_\_\_  
Budget Officer Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Contract Officer Date

\_\_\_\_\_  
Rodney G. Marrelli, Executive Director Date

\_\_\_\_\_  
Director, Division of Purchasing Date

Jeremy Gilger 801-297-3887  
Agency Contact Person Telephone Number

\_\_\_\_\_  
Division of Finance Date

## **ATTACHMENT C**

### **SPECIFICATIONS FOR HEAT APPLIED SERIAL NUMBERED 20 CIGARETTE TAX STAMPS AND APPLICATION SYSTEMS BID NO. NO1107 – APRIL 2001**

#### **BID SUMMARY**

Quantity: 20's (15 per row) - 100,000,000 stamps  
25's (12 across) - 705,600 stamps  
25's (10 across) - 1,411,200 stamps (96-97)

#### **TYPE AND APPLICATION**

These stamps must be Fuson stamps or an equivalent, pre-approved by the Utah State Tax Commission, consisting of five impressions or layers (including safety tint lettering). The stamps must be produced using the intaglio process and be suitable for positive application with heat to the receiving surface such as cellophane and polypropylene.

Bidders must furnish with bid, canceled samples of stamps and list the states currently using the bidder's stamps.

#### **PRICE**

Bidder must submit net prices per thousand stamps, manufactured and packed according to specifications, F. O.B. destination. All shipments are to be made by bonded carrier, prepaid.

#### **SIZE, DESIGN AND COLORS**

Each stamp is to be of irregular shape and outline and shall contain not less than three distinctive colors. Half-tones, BenDay effects, shades, tints, or tones of a color will not be acceptable or considered as separate and distinctive colors. The safety tint lettering shall not be considered as one of the stamp colors.

Stamps shall measure approximately 1/2" x 1/2". Colors and design of stamps to be pre-approved by the Utah State Tax Commission.

*Voided sample stamps will be made available, upon request, to any prospective Bidder.*

#### **SERIAL NUMBERING**

After primary printing, stamps will be commonly overprinted within each roll with a legible code consisting of not less than five alpha-numeric characters. The same alpha-numeric code would not be repeated for any one roll during the life of the contract. This identification code will also appear on the roll and mailer box.

Rolls shall be coded in sequential order. Spoiled rolls shall be identified as "not in circulation". The beginning and ending roll number shall be clearly indicated on the outside of the box of 25

stamp rolls. For example: "Roll #1 - Roll #26". A certified listing of all rolls "not in circulation shall be provided to the Utah State Tax Commission within 7 days after shipment.

## **PAPER**

All stamps and paper must contain proven protective features to guard against illegal reproduction. This will include security features that permit laboratory identification of inks.

Stamps shall be made on unique, safety tinted, mill controlled colored paper furnished by the contractor. The name of the manufacturer of the paper stock is to be furnished with the bid and contractor must render an accurate accounting of all paper used in the production of machine applied stamps, including spoilage, and verify such accounting record by affidavit to the Utah State Tax Commission.

The base paper must contain identifiable protective features, which will at once permit analysis to establish its authenticity. The base paper must contain fibers which under ordinary daylight are not distinguishable from the remainder of the fibers in the base paper, but shall become brightly fluorescent when exposed to the rays of ultraviolet light. This fluorescence shall be a permanent effect whenever tests are made and shall not be fugitive.

All paper must be processed with a special safety tint. The safety tint lettering must be so printed as to appear on the face of the stamp and also must appear on the paper between the stamps. The safety tint shall transfer with the stamps and the lettering extending beyond the edges of the stamp must also transfer with the stamps.

All spoiled paper and stamps are to be strictly accounted for and kept under lock and key and destroyed either in the presence of a duly authorized agent of the Utah State Tax Commission or by the contractor. After destruction by the contractor, in the absence of a representative of the Utah State Tax Commission, an affidavit will be rendered to that effect by the contractor and sent to the Utah State Tax Commission.

## **LAYOUT AND PACKING**

Heat Applied Serial Numbered "20" (15 per row) Cigarette Tax Stamps are to be furnished in rolls of 30,000 stamps with ascending and descending numbers at 300 stamp intervals to provide an exact count of stamps remaining and stamps used on the roll.

Each roll will be packed in a serially numbered cardboard box. Twenty-five boxes are to be packed in a suitable corrugated container, with quantity of stamps, denomination, and first and last consecutive serial number clearly marked on one end of box.

Heat Applied Serial Numbered "25" (10 per row) Cigarette Tax Stamps will be furnished in rolls of 7,200 stamps with ascending and descending numbers at 200 stamp intervals to provide an exact count of stamps remaining and stamps used on the roll.

Each roll will be packed in a serially numbered cardboard box. Forty-nine boxes are to be packed in a suitable corrugated container, with quantity of stamps, denomination, and first and last consecutive serial number clearly marked on one end of box.

Heat Applied Serial Numbered "25" (12 per row) Cigarette Tax Stamps will be furnished in rolls of 7,200 stamps with ascending and descending numbers at 240 stamp intervals to provide an exact count of stamps remaining and stamps used on a roll.

Each roll will be packed in a serially numbered cardboard box. Forty-nine boxes are to be packed in a suitable corrugated container, with quantity of stamps, denomination, and first and last consecutive serial number clearly marked on one end of box.

### **PRODUCTION CONTROL**

All work under this contract, including all coatings of the paper for Fusion stamps must be performed wholly within the premises of the contractor. No part of this contract may be sublet or performed in any other establishment. No assignment of this contract in whole or in part may be made without the consent of the Contract Officer of the Utah State Tax Commission.

### **ACCOUNTING**

Full and accurate account must be made to the Utah State Tax Commission for all spoiled paper, stamps, etc. Plates, designs, patterns, films, negatives, cylinders, and the like will be used solely for this order and subsequent orders if any. Any such plates, designs, patterns, films, etc., when not in use for the manufacture of these stamps must be locked in a safe or vault. At any time, if the Utah State Tax Commission so desires, all such plates, designs, films, etc., must be destroyed.

Complete and accurate accounting of each and every stamp and all special paper and any other material used in the production of these stamps must be given to authorized representatives of the Utah State Tax Commission upon demand at any time. Inspection of the plant and all records and books of account will be allowed by the contractor at any time upon demand of authorized representatives.

At all times the contractor will supervise closely the production of these stamps. Security guards and other appropriate measures should be employed to assure that all finished goods and production materials are properly accounted for. Every precaution will be taken to make certain that these stamps are not counterfeited or produced anywhere for any other purpose than the use of the state. All shipments must be made by bonded carrier, insured and prepaid, and contractor will be responsible for safe and proper delivery.

### **STAMP APPLYING MACHINES**

Bidder must warrant that, during the contract period, he will make available to authorized distributors by means of a lease, machines designed to apply contractor's stamps, including related equipment such as carton openers, gluers, and closers, and that said machines and stamps will be designed and manufactured so as to assure proper adhesion and high speed application of stamps.

Machines and related equipment must consistently meet the approval of the Utah State Tax Commission and be acceptable to the tobacco distributors and operate satisfactorily at a minimum rate of 90 cartons per minute for a duration of 30 minutes.

During such period as the Utah State Tax Commission shall utilize contractor's stamps for machine application, the contractor must agree to service machines and provide preventive maintenance in such manner and upon such reasonable conditions that mechanical failure will not substantially disrupt stamping by the distributors and receipt of revenue by the State of Utah. A description of this preventive maintenance program should accompany the bid.

In the event the contractor shall sell a machine to an authorized distributor, contractor agrees, to make available to such machine purchaser, at a reasonable charge, a service contract for the remain and maintenance of the machine in order to keep the machine in proper operating condition.

#### **SUFFICIENT SERVICE**

Contractor must have service office and sufficiently trained personnel located in the state to properly maintain, service and repair stamp applying machines. Servicemen must be available during normal working hours and respond to a wholesaler's service call within 8 hours Monday through Friday.

Contractor must instruct the tobacco distributors' employees in the proper operation of the stamp applying machine for correct application of stamps.

Stamps for 25 cigarette packs for machine application are furnished in rolls of 7,200 stamps. The 10 across configuration can be applied using the R.J. Reynolds semi-automatic machine or a hand iron. The 10 across configuration cannot be applied automatically using stamping machinery. The 12 across configuration can be applied using automatic stamping machines.

#### **DELIVERY**

Delivery of stamps in such quantities as may be specified by the Utah State Tax Commission must be made within 42 days after receipt of purchase order and artwork approval. Subsequent shipments are to be made within three days after contractor receives shipping instructions.

Shipments exceeding 10 cases of stamps should be palletized in numeric order.

Before shipping, the Processing Division of the Utah State Tax Commission must be notified who the carrier will be and the estimated time of arrival. Specific contact persons along with telephone numbers and e-mail addresses will be provided to the contractor.

#### **PAYMENT**

Each shipment of stamps shall be invoiced separately. Payment of invoices will be made according to customary State procedure.

## **PERFORMANCE BOND**

Successful bidder may be required to furnish a performance bond in the amount of the contract, guaranteeing the State of Utah as to the faithful performance of the contract including installation and service of stamp applying equipment.

## **FIDELITY BOND**

The successful bidder may be required to maintain for the duration of the proposed contract a Fidelity Bond, issued by a surety company licensed to do and doing business in the State of Utah, in the amount of \$50,000,000.00. The bond shall be used to insure the State of Utah against loss of stamps through or from any act of omission or commission by the contractor or employees of the contractor.

## **PRE-AWARD VERIFICATION**

Before an award is made, the Utah State Tax Commission reserves the right to determine the acceptability and responsibility of the successful bidder. This may include an on-site demonstration to validate and verify the acceptability of the successful bidder's stamps to the Utah State Tax Commission. The Utah State Tax Commission also reserves the right to require the successful bidder to demonstrate and prove the effectiveness of any and all protective features required. Such on-site demonstrations, if required, shall be at no cost to the Utah State Tax Commission or the State of Utah.

## **BID SUBMISSION REQUIREMENTS**

### Minimum Bid Submission Requirements

All Bidders must submit with their price bid the following guarantees, warranties, and certifications:

- A confidential detailed statement explaining fully their system for the protection of the State of Utah against unlawful reproduction and the method by which such reproduction can be detected by state inspectors. This confidential statement will be protected by the Utah State Tax Commission as a Trade Secret as defined in Utah Code Annotated §63-2-308 and 63-2-304.
- A confidential full explanation of the precautions which the Bidder proposes to observe within its plant, physical facilities, organization, and employees to protect the Utah State Tax Commission against unlawful reproduction or loss, including theft, of stamps.
- Bidders must provide the measures which will prevent loss of stamps during the process of manufacture as well as during storage. A secure depository approved by the Utah State Tax Commission shall be installed or designated by the Bidder for the storage of photographs, films, stones, zincs, plates, cylinders, drawings, stamps, etc., when not in use, or in the case of stamps while awaiting shipment.
- Bidders shall certify that it possesses the necessary plant, equipment and facilities to properly and satisfactorily discharge the responsibility imposed by these specifications.

- A certification that the bidder will be able, if requested, to satisfactorily demonstrate the proposed stamp applying machine(s) to the Utah State Tax Commission within a minimum 5 days of award notice.
- Each bidder shall submit with their bid, a certification stating that the bidder can provide and install a minimum of stamping machines within 45 days after the date of award to assure no lapse in cigarette stamping during the transition from the existing contract period to a new contract period. In addition, bidders must provide a detailed plan for the installation of stamp applying machines.
- Bidders must guarantee that the tax stamps and the stamp applying machines, including related equipment, that bidder proposes to furnish and their sale and use will not infringe any United States patent. Bidder must guarantee to defend, protect, and hold harmless the State of Utah and all persons, firms, or concerns against all legal actions and from all damages, claims, demands, expenses and attorney's fees, for actual or alleged infringement of any United States patent by reason of the production of the tax stamps.
- Bidder must guarantee to defend, protect, and hold harmless the State of Utah and all persons, firms, or concerns using or applying the tax stamps and using the stamp applying machines on its behalf, against all legal actions and from all damages, claims, demands, expenses and attorney's fees, for actual or alleged infringement of any United States patent by reason of the purchase and use of the tax stamps and use of the stamp applying machines.

All Bidders must submit with their price bid the following information:

- Bidders must submit suggested designs and colors.
- The name of the manufacturer of the paper stock. (If bidder bids any other than the type of paper required in this Invitation for Bid, the Utah State Tax Commission reserves the right to determine whether or not such paper will meet its requirements and may reject any bid failing to obtain a successful determination.)
- Bidder must list equipment to be leased, including accessory machines to further automate the cigarette stamping process.

Additional information may be provided by the Bidder to support, clarify, or expound upon any of the requirements contained herein for purposes of determining Bidder responsibility and responsiveness.

## **AWARD**

The Utah State Tax Commission shall recommend an award to the lowest responsible and responsive Bidder whose bid meets the minimum requirements and other criteria set forth in this document. Bidders should note that a determination of responsibility shall be made in compliance with Utah Code Annotated §63-56-5(23) and will consider the maximum protection offered to the State of Utah against illegal reproduction or counterfeiting and the information required to be submitted with a bid.

**CONTRACT PERIOD**

The proposed contract shall be for a base period of three years contract with four one year renewal options as may be exercised at the sole discretion of the Utah State Tax Commission. Consideration for renewal will be activated two months before the end of the contract period.

**CONTACT PERSON FOR THE UTAH STATE TAX COMMISSION**

From the issue date of this Invitation for Bids until a contractor is selected and the selection is announced, bidders are prohibited from communications with Utah State Tax Commission staff regarding this procurement except the purchasing agent identified below. For violation of this provision, the State shall reserve the right to reject the bid. *Samples of the Cigarette Stamps may be requested from Phyllis Robins.*

Questions concerning the specifications should be directed to the Utah State Tax Commission, Phyllis Robins, Purchasing Agent at (801) 297-3864, 210 North 1950 West, Salt Lake City, Utah 84134, or [probins@tax.state.ut.us](mailto:probins@tax.state.ut.us). Questions concerning the procurement process should be directed to Nancy Orton, Purchasing Agent, at (801) 538-3148, Division of Purchasing, 3150 State Office Building, Salt Lake City, Utah 84114 or [pamain.norton@state.ut.us](mailto:pamain.norton@state.ut.us).





**MEYERCORD**

April 19, 2001

Page 3

PAPER: We take exception to this specification.

Utah is requesting the base paper to contain fibers that become brightly fluorescent when exposed to the rays of ultraviolet light. Meyercord no longer has these fibers in the paper because the base papers acts only as a carrier for the stamp. It is discarded after the stamp is applied to the cigarette pack. In addition, the paper stock used is manufactured exclusively for Meyercord. Meyercord has an agreement that we are to be notified immediately of any inquiries received by our supplier in reference to our base paper. The protective security features are inherent in the stamp itself. Florescent long and short wave tests can be performed on each stamp as well as other tests described in our confidential memorandum sent with this bid.

Fuson stamp paper will be supplied to us by Thilmany International Paper, Kaukauna, Wisconsin or a qualified secondary source should the need arise. All rolls of paper are strictly accounted for. A sample of paper is enclosed.

LAYOUT AND PACKING: We understand and agree to this specification.

PRODUCTION CONTROL: We understand and agree to this specification.

Our system of manufacturing and production control is based on more then 46 years of experience acquired through service to many states. The following precautions will be observed to protect the State against theft and unlawful production of Fuson stamps:

Our paper manufacturer, Thilmany International Paper, has assured us in writing that any inquiries about tax stamp paper will be referred to the Bureau of Alcohol, Tobacco and Firearms to ascertain whether the potential manufacturer is authorized to print tax stamps.

All paper used for the manufacture of your stamps, including damaged stamps, spoiled paper, etc., will be strictly accounted for so that the State, at all times, will have a complete production audit.

The entire manufacturing process, including stamp design, mechanical art, cylinder etching, coating of the base paper stock, printing, numbering, finishing, packing and shipping of your stamps will be performed in our plant located at 365 East North Avenue, Carol Stream, Illinois.



**MEYERCORD**

April 19, 2001

Page 4

All departments of our plant involved with the manufacture of your cigarette tax stamps will be open at all times to any accredited officials of your State. We invite you and representatives of the State to visit our plant and acquaint yourselves with our facilities and the precautions we have established. We will be pleased to entertain recommendations you may suggest to improve our system.

All printing, finishing, numbering, and stamp inventories are in separate areas which are locked and restricted to employees involved with tax stamps. Stamp inventories and finishing operations are located in a separate enclosed section which does not border on an outside wall of our plant. This area is protected by state of the art security systems.

Our manufacturing facility is a modern, fireproof building, fully equipped with Underwriters' approved sprinkler system. A central watch burglar alarm system is maintained. All paper used for the manufacture of your stamps, including damaged stamps, spoiled paper, etc., will be strictly accounted for so that the State, at all times, will have a complete production audit.

Please refer to our confidential memorandum for a more detailed explanation of our production controls and internal security.

ACCOUNTING: We understand and agree to this specification.

STAMP APPLYING MACHINES & SERVICE: We understand and agree to this specification.

Currently, Meyercord leases 16 stamping lines to 12 distributors who are authorized to affix State of Utah cigarette tax stamps. We also lease more than 1,400 stamping lines to tobacco wholesalers in the aforementioned states.

Our Fuson tax stamping machines and accessory equipment are field proven and have a history of smooth, precise and trouble-free operation.

As a tailored system to meet the stamping needs of the largest and smallest wholesalers, we lease or sell two versatile stamping lines:

*Automatic* - automatic infeed, large power opener, stamping machine, conveyor closer, 2 packing tables or 1 packing table and 1 angle table.

*Manual* - manual feed, portable, stamps regular to 120 carton sizes, closing chute, and glue tank.



The Automatic stamping line requires two operators to feed and catch cigarettes. Each stamping line is designed to operate right to left or left to right. Changing the direction of a cigarette stamping line is easily accomplished in the field by interchanging the opener and closer components.

We also lease or sell the following accessory machines to further automate stamping operations:

*In-Line Cigarette Case Cutter* - automatically feeds, cuts, and splits full cases, dumping half cases for direct feed into all commercially available automatic stamping lines.

*Off-Line Cigarette Case Cutter* - automatically feeds, cuts, and splits full cases, placing half cases on a takeaway conveyor for stamping or inventory storage.

*Case Packer* - connects with all commercially available automatic stamping lines, automatically repacks stamped cartons into the half case and discharges the half case on a take-away conveyor.

A Meyercord Case Packer may be used in conjunction with our Automatic stamping line to increase automation by reducing the required crew size from two operators to one operator.

It should be noted that stamping speed is primarily dependent on the skill and experience of the stamping operators, the degree of automation provided by the stamping line, and the speed of the case packer used.

Meyercord's stamping equipment may be leased or purchased. However, most stamping agents prefer to lease equipment at a nominal monthly charge which includes installation, product flow consultation, training, scheduled preventative maintenance, replacement parts and emergency service by trained Meyercord service technicians. The monthly rate does not cover the cost of repair due to carelessness or negligence.



For machines which are purchased, our terms are 1/3 with a purchase order, 1/3 prior to shipment and 1/3 net 30 days after installation, F.O.B. shipping point. Taxes and installation costs are additional. We offer a maintenance contract at variable rates (depending on distance from nearest service shop), which includes preventive maintenance and emergency service.

The key to Meyercord's service program is scheduled preventive maintenance to minimize machine downtime. Depending on the volume of cigarettes stamped, our service technicians arrange pre-determined appointments with each customer in order to perform preventive maintenance on each leased machine.

Normally, the preventive maintenance procedure requires 1 to 1-1/2 hours per stamping line. If the scheduled time conflicts with the customer's production requirements, another appointment is made at a more convenient time, or a minimum procedure is performed while the machine is operating. Preventive maintenance schedules are revised as customer's cigarette volume or equipment change.

Calls for emergency service always take precedence over preventive maintenance schedules. For Meyercord machine service in Utah please call 1-800-639-3799, Ext. 6452 or Ext. 6442 in Colorado. Response time to service calls depends in part on the travel distance and the time of day the call is received.

After each scheduled preventive maintenance or service call, service data is compiled detailing the work performed. A service history for Meyercord equipment is also entered into our computerized database for statistical analysis.

Meyercord stands ready at any time to demonstrate its equipment to the Department of Revenue. We currently have many fully automatic stamping lines located throughout the state. Arrangements can be made at any time to visit these wholesalers and observe Meyercord's machinery in operation.

Meyercord's stamp applying machines and related equipment does not infringe on any United States patent. Meyercord agrees to defend, protect, and hold harmless the State and all persons, firms or concerns using or applying the tax stamps and using the stamp applying machines on its behalf, against all legal actions and from all damages, claims, demands, expenses and attorney's fees, for actual or alleged infringement of any United States patent by reason of the purchase and use of the tax stamps and use of the stamp applying machines.

SUFFICIENT SERVICE: We understand and agree to this specification.



## MEYERCORD

April 19, 2001

Page 7

DELIVERY: We understand and agree to this specification.

PAYMENT: We understand and agree to this specification.

Our payment terms are net 30 days, F.O.B. destination.

All stamps are insured at replacement value at Carol Stream and in transit.

We reserve the right to invoice the State for any unshipped stamps supported by purchase orders after one year from the starting date of the contract. Any unshipped stamps supported by purchase orders will be inventoried for a maximum period of 6 months after the expiration date of the contract.

PERFORMANCE BOND: We understand and agree to this specification.

FIDELITY BOND: We understand and agree to this specification.

PRE-AWARD VERIFICATION: We understand and agree to this specification.

BID SUBMISSION REQUIREMENTS: We understand and agree to this specification.

ADDITIONAL SECURITY FEATURES: At this time, we would also like to mention new enhancements to Meyercord's cigarette tax-stamping system.

Meyercord has added a **Variable Imaging (VI)** feature to our list of security features. The VI feature will contain the State's initials, which resembles a hologram, in the middle of the stamp that will change color and luster when viewed at different angles. This new feature provides a quick and easy field authenticity test of Meyercord cigarette stamps. Upon request and approval from the State, Meyercord can add this feature through minor stamp design changes.

In addition to the Variable Image (VI), Meyercord has added "**Tagant**", a second new security feature. With the Tagant feature, Meyercord cigarette tax stamps emit a green luminescence when exposed to an invisible laser energy beam directed from a battery powered pen. Only stamps manufactured with the Tagant will illuminate when exposed to this unique invisible beam of light. This quick and easy authentication test, that can be performed under almost any light condition, will greatly benefit the enforcement group during field testing. Agents can walk into any retail outlet without chemicals or ultraviolet lights and using the pen, quickly and accurately, test for authenticity within seconds. The time savings alone would easily outweigh the cost of this new feature as well as the additional security it provides.



**MEYERCORD**

April 19, 2001

Page 8

AWARD: We understand and agree to this specification.

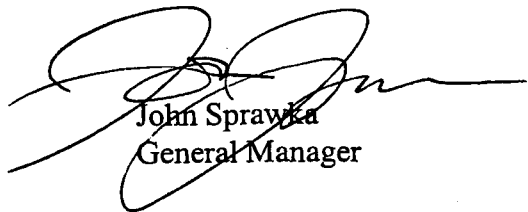
CONTRACT PERIOD: We understand and agree to this specification.

CONTACT PERSON FOR THE UTAH STATE TAX COMISSION: We understand and agree to this specification.

Again, thank you for the opportunity to submit our quotation. If awarded your contract, be assured that your business will receive our immediate attention.

Sincerely,

Meyercord Revenue Division of Illinois Tool Works Inc.



John Sprawka  
General Manager

/le

STATE OF UTAH  
DIVISION OF PURCHASING  
3150 STATE OFFICE BUILDING  
P.O. BOX 141061  
SALT LAKE CITY, UTAH 84114-1061  
TELEPHONE (801) 538-3026  
<http://www.purchasing.state.ut.us>

# Invitation to Bid

Solicitation Number: NO1107

Due Date: 04/24/01 at 2:00 P.M.

Date Sent: April 6, 2001



## Agency Contract

## ATTACHMENT D

NO1107 137918 SRC 22533  
MEYERCORD REVENUE DIV. OF ITW  
365 E NORTH AVE  
CAROL STREAM IL 60188-2023

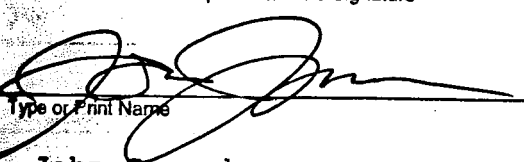
Goods and services to be purchased: CIGARETTE TAX STAMPS

### Please complete

Company Name		Federal Tax Identification Number	
Meyercord Revenue Division of Illinois Tool Works Inc.		36-1258310	
Ordering Address	City	State	Zip Code
365 E. North Avenue	Carol Stream	IL	60188
Remittance Address (if different from ordering address)	City	State	Zip Code
P.O. Box 95598	Chicago	IL	60694-5598
Type	Company Contact Person		
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government	Tom Letizia		
Telephone Number (include area code)	Fax Number (include area code)		
630-682-6291	630-682-6269		
Company's Internet Web Address	Email Address		
<a href="http://www.meyercord.com">www.meyercord.com</a>	<a href="mailto:tletizia@meyercord.com">tletizia@meyercord.com</a>		
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered)	Days Required for Delivery After Receipt of Order (see attached for any required minimums)		
	42		

The following documents are included in this solicitation: Solicitation forms, instructions and general provisions, and specifications. Please review all documents carefully before completing.

The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes ☐ No ☒. If no, enter where produced, etc. Illinois

Offeror's Authorized Representative's Signature	Date
	4/19/01
Type or Print Name	Position or Title
John Sprawka	General Manager

**STATE OF UTAH  
DIVISION OF PURCHASING  
GENERAL SERVICES**

**Invitation to Bid**

Solicitation Number: NO1107

Due Date: 04/24/01

**Vendor Name: MEYERCORD REVENUE DIV. OF ITW**

Description	Unit Price	Extension
CIGARETTE TAX STAMPS, PER THE ATTACHED SPECIFICATIONS.	\$ <u>0.49</u> /M	\$ 50,037.28

QUESTIONS ON SPECIFICATIONS CALL PHYLLIS ROBINS AT (801) 297-3864. QUESTIONS ON PURCHASING PROCESS CALL NANCY ORTON AT (801) 538-3148. FX: 120 1PR00000018.

**Optional Security Features:**  
(See Page 7 for description.)

Variable Image      \$ 0.015 / M

Tagant      \$ 0.05 / M



The Meyercord Co.  
365 East North Avenue  
Carol Stream, Illinois 60188  
Phone: (630) 682-6200  
Fax: (630) 682-6269



**MEYERCORD  
REVENUE COMPANY**

April 19, 2001

Ms. Nancy Orton  
Utah Division of Purchasing  
3150 State Office Building  
Salt Lake City, Utah 84114

Dear Ms. Orton:

Thank you for the opportunity to submit our quotation for furnishing cigarette tax stamps in accordance with Solicitation No. NO1107 and attached specifications dated April 6, 2001.

Enclosed you will find completed bid form, samples of the type of paper on which your stamps will be processed, samples of transferred Fuson cigarette tax stamps, suggested stamp designs and colors, machine specifications and our brochure.

The following paragraphs of this proposal letter correspond to the paragraphs of your specifications and are to be considered a part of our bid.

**SPECIFICATIONS FOR HEAT APPLIED SERIAL NUMBERED 20 & 25  
CIGARETTE TAX STAMPS AND APPLICATION SYSTEMS**

**BID SUMMARY:** We understand and agree to this specification.

**TYPE AND APPLICATION:** We understand and agree to this specification.

The Meyercord Co. developed the Fuson Cigarette Tax Stamping System in 1954. Currently, 46 states utilize our stamps and application machinery as indicated below; (dates refer to the starting date of Meyercord's contract):

Alabama 1993  
Arizona 1997  
Arkansas 1997  
California 1993  
Colorado 1973  
Connecticut 1993  
Delaware 1990  
Florida 1988

Louisiana 1994  
Maine 1997  
Maryland 1957  
Massachusetts 1997  
Michigan 1998  
Minnesota 1998  
Mississippi 1961  
Missouri 1994

Ohio 1994  
Oklahoma 1958  
Oregon 1997  
Pennsylvania 1997  
Rhode Island 1991  
South Dakota 1994  
Tennessee 1995  
Texas 1989



**MEYERCORD**

April 19, 2001

Page 2

Georgia 1963  
Hawaii 2000  
Idaho 1963  
Illinois 1996  
Indiana 1958  
Iowa 1958  
Kansas 1997  
Kentucky 1959

Montana 1993  
Nebraska 1994  
Nevada 1976  
New Hampshire 1993  
New Jersey 1997  
New Mexico 1980  
New York 1980

Utah 1960  
Vermont 1997  
Virginia 1960  
Washington 1964  
West Virginia 1997  
Wisconsin 1959  
Wyoming 1967

Note the endorsement of Meyercord's quality, service, security, and mechanical systems as indicated by sustained supplier relationships. We invite you to verify Meyercord's performance with tax administrators from the aforementioned states.

Enclosed are transferred samples of Fuson 20 & 25 cigarette tax applied stamps.

PRICE: We understand and agree to this specification.

As indicated on your proposal form, we bid as follows:

ITEM	QUANTITY	PRICE PER THOUSAND
20'S (15 Per Row)	100,000,000	\$0.49/M
20's with Variable Image		\$0.505/M
20's with Tagant Security		\$0.54/M
25's (12 across)	705,600	\$0.49/M
25's (10 across)	1,411,200	\$0.49/M

SIZE, DESIGN AND COLORS: We understand and agree to this specification.

Enclosed you will find suggested stamp designs and colors.

SERIAL NUMBERING: We understand and agree to this specification.

A certified listing of all rolls "not in circulation" will be provided to the Operation Division of the Utah State Tax Commission within 7 days after shipment.

## AMENDMENT NUMBER 1 to CONTRACT NUMBER 016606

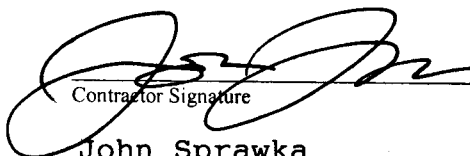
To be attached to and made a part of the above numbered contract by and between the State of Utah, Utah State Tax Commission, referred to as Commission and Meyercord Revenue Division of Illinois Tool Works Inc. referred to as Contractor.

## THE PARTIES AGREE TO AMEND THE CONTRACT AS FOLLOWS:

1. The contract period is amended
  - From: 05/15/01
  - To: 05/14/05
2. The dollar amount of change to the contract for this amendment is: NA
3. The total contract amount is now changed:
  - From: NA
  - To: NA
4. The contract now reads: 4. Contract Period: "Effective date 05/15/01. Termination date 05/14/01" <sup>04 Pgs</sup>  
The contract is amended to read: 4. Contract Period: "Effective date 05/15/01 Termination date 05/14/05,"
5. Effective Date of Amendment: 05/14/04

All other conditions and terms in the original contract remain the same.

IN WITNESS WHEREOF, the parties sign and cause this Amendment to be executed.

 3/3/04  
Contractor Signature Date

John Sprawka

Contractor Name (Please Print)


Business Unit Manager

Title




 3/8/04  
Division Director Date

 3/5/04  
Budget Officer Date

 4/6/04  
Contract Officer Date

 4/20/04  
Rodney G. Marrelli, Executive Director Date

 MAY 19 2004  
Director, Division of Purchasing Date

**CONTRACT RECEIVED AND  
PROCESSED BY**  
Division of **FINANCE** MAY 21 2004  
Date